of the learned judge's discretion could be interfered with.

Their Lordships will advise His Majesty the Yang di-Pertuan Agong that the appeal should be dismissed with costs.

Appeal dismissed

Solicitors: *MacFarlanes; Coward Chance*

UNITED MALAYAN BANKING CORPORATION BHD. & ANOR. v. PEMUNGUT HASIL TANAH, KOTA TINGGI

[P.C. (Lord Keith of Kinkel, Lord Bridge of Harwich, Lord Brandon of Oakbrook, Lord Templeman & Sir Robin Cooke) June 11 & 12; July 9, 1984]
[Privy Council Appeal Nos. 39 and 40 of 1982]

Land Law – Alienated Land – Non-payment of rent – Forfeiture – Validity of – Jurisdiction of Court to grant relief against forfeiture – National Land Code, ss. 94(2), 97(1), 98, 99, 100 & 418.

English Law – Importation of English rules of equity – Civil Law Act, 1956, ss. 3(1) & 6.

In December 1966 the State Authority of Johore alienated to the second appellants under section 76 of the National Land Code, land in Kota Tinggi for a term of 99 years in consideration of a stipulated annual rent and other conditions. The second appellants laid out very considerable sums of money in the development of the land for the purpose of a sugar plantation and they also granted a number of charges over the land in favour of the first appellant for the purpose of securing the repayment of loans which in November 1977 amounted to $5,334,163.60 with interest.

The rent payable by the second appellants in respect of the year 1977 was $124,080 plus education rate of $31,020. The amount fell due on January 1, 1977 and not having been paid before June 1, 1977 fell to be treated as falling in arrear. Accordingly the Collector of Land Revenue for the district caused a notice of demand to be served on the second appellant. A copy of the notice was also served on the first appellants as chargees, so as to give them the opportunity of paying the rent themselves if they chose. The notice required payment of the rent together with penalties within the period of three months. Owing to misunderstandings between the appellants, neither rent nor penalties were paid by either of them within that period. The Collector of Land Revenue thereupon made an order declaring the land forfeit to the State Authority and this order was published in the Gazatte. The appellants then instituted proceedings by motion under section 418 of the Land Code and appealed to the High Court. Gill C.J in the High Court gave judgment in favour of the appellants granting relief against forfeiture. The respondent appealed to the Federal Court which gave judgment allowing the appeal – see [1981] 2 M.L.J. 264. The appellants appealed from the judgment of the Federal Court.

Held: (1) a demand which is excessive in amount whether in respect of arrears fee or notice fee or both cannot be regarded as an irregularity of service or an irregularity of form under section 134(2) of the National Land Code, but is a matter of substance. In this case however the amount demanded by the notice was of the correct amount and so there was no basis for the attack on the validity of the notice;

(2) the granting of an application for relief against forfeiture would constitute the setting aside of the order for forfeiture within the meaning of subsection (2) of section 134 of the National Land Code and the provisions of the Code evince an intention that the English rules of equity should not be available to proprietors of alienated land;

(3) section 3(1) of the Civil Law Act 1956 cannot be relied on by the appellants for the importation of the English rules of equity as the provisions of the National Land Code are inconsistent with such rules;

(4) laws relating to tenure, which are referred to in section 6 of the Civil Law Act 1956, must embrace all rules of law which govern the incidents of the tenure of land and among these incidents is the right in appropriate circumstances, to the grant of relief against forfeiture;

(5) the National Land Code is a complete and comprehensive code of law governing the tenure of land in Malaysia and the incidents of it as well as other important matters affecting land and there is no room for the importation of any rules of English Law in that field except in so far as the Code itself may expressly provide for this.

Case referred to:–

(1) *Zainal bin Hashim* v. *Government of Malaysia* [1980] A.C. 734, 742, 743; [1979] 2 M.L.J. 276.

PRIVY COUNCIL APPEAL FROM MALAYSIA.

Stuart McKinnon Q.C (*Chin Yew Meng* with him) for the 1st appellant.

John Stuart Colyer Q.C (*Dato V. Jeyaratnam* and *P.S. Gill* with him) for the 2nd appellant.

Steward Bates Q.C. (*Stephen Allcock* with him) for the respondent.

Cur. Adv. Vult.

Lord Keith of Kinkel (delivering the judgment of the Board): These consolidated appeals from the Federal Court of Malaysia raise issues regarding the validity of a notice of forfeiture of alienated land issued under the relevant provisions of the National Land Code 1965 ("the Code"), and also regarding the jurisdiction of the courts to grant relief against such forfeiture.

In December 1966 the State Authority of Johore alienated to the second appellants, under sec-

tion 76 of the Code, approximately 20,680 acres of land in the district of Kota Tinggi for a term of 99 years in consideration of a stipulated annual rent and other conditions. The second appellants laid out very considerable sums of money in the development of the land for the purposes of a sugar plantation, and they also granted a number of charges over the land in favour of the first appellants, for the purpose of securing the repayment of loans which in November 1977 amounted to $5,334,163.60 with interest.

The rent payable by the second appellants in respect of the year 1977 was $124,080 plus education rate of $31,020. By virtue of section 94(2) of the Code that rent fell due on January 1, 1977, and, not having been paid before June 1, 1977, fell to be treated as having become in arrear on that date. Accordingly, the Collector of Land Revenue for the District, pursuant to section 97(1) of the Code, on June 2, 1977 caused to be served on the second appellants a notice of demand in terms of Form 6A in the First Schedule thereto. As required by section 98 the Collector also served a copy of the notice on the first appellants as chargees, so as to give them the opportunity of paying the rent themselves if they chose. The notice required payment of the rent together with penalties within the period of three months. Owing to misunderstandings between the appellants, neither rent nor penalties were paid by either of them within that period. Sections 99 and 100 of the Code provide as follows:–

"99. If the whole of the sum demanded by any notice under section 97 is tendered to the Collector within the time specified therein, the notice shall thereupon cease to have effect, and the Collector shall cancel, or cause to be cancelled, the note endorsed pursuant to subsection (2) of that section on the register document of title to the land to which the notice related.

100. The Collector shall not during the period specified in any notice under section 97 accept the tender by or on behalf of any person or body of a lesser amount than the sum thereby demanded; and if by the end of that period the whole of that sum has not been tendered to him, he shall thereupon by order declare the land forfeit to the State Authority, and the provisions of Part Eight shall have effect with respect thereto accordingly."

On September 7, 1977 the Collector, who is the respondent to the appeals, made an order declaring the land forfeit to the State Authority, and this order, as required by section 130(1), was published in the Gazette on September 15, 1977.

On December 7, 1977 the appellants instituted proceedings by motion under section 418 of the Code, which provides:–

"418. (1) Any person or body aggrieved by any decision under this Act of the State Commissioner, the Registrar or any Collector may, at any time within the period of three months beginning with the date on which it was communicated to him, appeal therefrom to the Court.

(2) Any appeal shall be made in accordance with the provisions of any written law for the time being in force relating to civil procedure; and the Court shall make such order thereon as it considers just.

(3) In this section "decision" includes any act, omission, refusal, direction or order."

The motions were heard by Tan Sri S.S. Gill C.J., Malaya, in the High Court, and on March 6, 1979 he gave judgment in favour of the appellants granting relief against forfeiture. The respondent appealed to the Federal Court, and on August 25, 1981 that court (Wan Suleiman and Salleh Abas F.JJ. and Abdoolcader J.) gave judgment allowing the appeal. The appellants' appeal to the Yang di-Pertuan Agong now comes before this Board.

The first issue in the appeal arises out of a contention by the appellants that the sum demanded in the notice dated June 2, 1977 was excessive and that the notice was therefore invalid. The elements making up the sum thereby demanded were quit rent $124,080, education rate $31,020, fees etc., chargeable as rent $31,020 and arrears fee $5 – a total of $186,125. It is to be observed that the last two items have been entered under the wrong heading. Clearly the $31,020 is an arrears fee and the $5 is a fee chargeable as rent. Under section 5 of the Code "rent" includes any fee due to the State Authority by virtue of rules made under section 14. By virtue of rule 16 and Table III of such rules made in 1966 (J.P.U.39. of 1966) as amended by further rules of 1976 (J.P.U.6. of 1976) there was payable an arrears fee of 20% of the amount due where that exceeded $50. In the courts below the appellants maintained that this fee was to be calculated only upon the amount of quit rent due, exclusive of the education rate. On that basis, the amount demanded under this head would have been about $6,000 in excess of that legally due. This particular contention was abandoned before the Board. The appellants did, however, renew a different contention based on the amount of $5 demanded by way of "arrears fee", maintaining that this should have been only $2. Rule 17 of J.P.U.39. of 1966 provides:–

"Whenever a Notice of Demand in Form 6A is issued a notice. fee of $2. shall be payable in addition to the arrears fee prescribed in Rule 16 and Table III."

Rule 20 under the heading "Office Fees" provides:–

"The fees prescribed for various preceedings are as specified in Table V."

Table V item 15 is in these terms:–

"Notice in Form 6A of Land Code – $2."

Rule 2 of J.P.U.6. of 1976 amended the 1966 rules *inter alia* by deleting the whole of Table V and substituting a new one which included an item 17 in these terms:–

"Notice in Form 6A of Land Code – $5."

Rule 17 of the 1966 rules was not then amended, but rule 2 of the Amendment Rules of 1979 (J.P.U.63. of 1979), which counsel for the appellants very properly drew to the attention of the Board, substituted a new rule 17 in these terms:–

"17. Whenever a Notice of Demand in Form 6A is issued a fee under item 17 of Table V shall be payable in addition of (sic) the arrears fee prescribed in rule 16 and Table III."

Rule 1 of these Amendment Rules provided that they should be deemed to have come into force on February 19, 1976.

It is a possible construction of rules 17 and 20 and item 15 of Table V of the 1966 rules that they provided for two fees each of $2 to be payable on the issue of a Form 6A notice, and it would follow that the item 15 fee, but not the rule 17 fee, was increased to $5 by the 1976 amending rules. But that is not a likely or reasonable result, and in their Lordships' opinion it is clear that the intention of rule 17 was to provide that whenever a Form 6A notice was issued there should be payable, in addition to the arrears fee, the office fee of $2 provided by rule 20 and item 15 of Table V. In that situation the relevant amendment of Table V, brought about by the 1976 rules, by necessary implication amended rule 17 by increasing the $2 there mentioned to $5. In so far, however, as there might be any doubt about this, the amending rules of 1979 were clearly designed to remove such doubt with an effect retrospective to the date when the 1976 rules came into force. Though counsel for the appellants sought valiantly to argue that the terms of rule 1 of the 1979 rules did not express with sufficient clarity an intention that the amendment brought about by rule 2 should affect a pending litigation, such as this one, their Lordships regard the conclusion that it did so as being truly inescapable. (See *Zainal bin Hashim* v. *Government of Malaysia*[1] per Viscount Dilhorne).

It follows that the fee of $5 demanded by the Form 6A notice in this case was of the correct amount, so that there is no basis for the attack on the validity of the notice. But since both the courts below dismissed the attack on the validity of the notice on the ground that, assuming that not only an excessive notice fee but also an arrears fee $6,000 in excess of the correct amount had been demanded, this constituted no more than an irregularity in the form of the notice which was not of a significant nature, it is necessary to say a few words on that aspect.

The matter arises under section 134(2) of the Code which provides:–

"134.(2) No order of the Collector under section 100 or 129 shall be set aside by any court except upon the grounds of its having been made contrary to the provisions of this Act, or of there having been a failure on the part of the Collector to comply with the requirements of any such provision; and no such order shall be set aside by reason only of any irregularity in the form or service of any notice under Chapter 2 of Part Six or, as the case may be, Chapter 5 of Part Seven unless, in the opinion of the court, the irregularity was of a significant nature."

It is plain that a demand which is excessive in amount, whether in respect of arrears fee or notice fee or both, cannot be an irregularity of service. Nor, in their Lordships' opinion, can it properly be regarded as an irregularity in form. The sum of money demanded in such a notice is clearly a matter of substance. By virtue of sections 99 and 100 of the Code, the whole of the sum demanded under section 97 must be tendered, the Collector is prohibited from accepting a tender of any lesser amount, and if the whole amount is not tendered he has no option but to declare the land forfeit. This is a very savage provision, and their Lordships are of the clear opinion that a procedure designed to lead to such draconian consequences must be followed out strictly and to the letter, (subject only to such irregularities in form or service as are not of a significant nature), under sanction that the notice of forfeiture will otherwise be held invalid. Their Lordships heard no developed argument as to whether and to what extent the *de minimis* principle may apply to demands of excessive monetary amount, and since it is unnecessary to do otherwise for the purpose of determining the appeals they prefer to reserve their opinion on that matter.

The second issue in the appeal is concerned with the question whether those equitable rules of

English law which have to do with relief against forfeiture have any application to forfeiture of alienated land duly brought about under the Code.

It was argued for the appellants that the provisions of section 418 of the Code (quoted above) recognised the existence of a jurisdiction to grant relief in accordance with these equitable rules because by sub-section (2) the court was empowered on any appeal to make such order "as it considers just". This must mean, however, any order considered to be just having regard to the substantive law, written or unwritten. So it is necessary to examine the relevant substantive law to see whether or not it admits of the equitable jurisdiction contended for.

Section 134 of the Code deals with appeals against forfeiture. Sub-section (2) has already been quoted. Sub-section (1) is in these terms:–

"The validity of any forfeiture under this Act shall not be challenged in any court except by means of, or in proceedings consequent upon, an appeal under section 418 against the order of the Collector under section 100 or, as the case may be, 129; and, notwithstanding anything in any other written law, no such appeal shall be commenced after the expiry of the period of three months allowed for the bringing thereof by the said section 418."

Counsel for the appellants maintained that this section was concerned only with challenges to the validity of a forfeiture of alienated land, not with applications for equitable relief against a forfeiture admitted or held to be valid. Accordingly, sub-section (2) did not apply so as to exclude such an application. Their Lordships are of opinion that the granting of an application for relief against forfeiture would, consistently with the ordinary use of language, constitute the "setting aside" of the order for forfeiture within the meaning of sub-section (2). Further, there are other provisions of the Code which are, in their Lordships' view, quite inconsistent with the existence of any jurisdiction in the court to grant relief against forfeiture of alienated land. Section 133 makes provision for any proprietor of alienated land who has incurred a forfeiture to apply to the State Authority for annulment of it, and gives the Authority absolute discretion to refuse the application or to allow it conditionally or unconditionally.

Under sub-section (3) the Authority may, notwithstanding such refusal, realienate the land to the same proprietor upon such terms as it may determine. These provisions evince an intention that the Authority should have complete control over whether or not a proprietor who has incurred forfeiture should be reinstated, and if so upon what terms. Then section 237 provides for application to the court for relief against forfeiture by lessees and others whose tenure is exempt from registration. The absence of any similar provision in favour of proprietors of alienated land is a strong indication of an intention that in their case no such right of application was to be available. This argument for the appellants must therefore be rejected.

It was further argued for the appellants that the English rules regarding relief against forfeiture were imported generally into the law prevailing in Johore by section 3(1) of the Civil Law Act 1956 which, so far as material, provides:–

"3.(1) Save in so far as other provision has been made or may hereafter be made by any written law in force in Malaysia, the Court shall –

(a) in West Malaysia or any part thereof, apply the common law of England and the rules of equity as administered in England on the 7th day of April 1956."

For the reasons already given, their Lordships are of opinion that the relevant provisions of the Code evince an intention that the English rules of equity relating to relief against forfeiture should not be available to proprietors of alienated land. Section 3(1) of the 1956 Act cannot therefore avail the appellants, since these provisions are inconsistent with the rules in question.

It is necessary to notice finally section 6 of the Civil Law Act 1956 which provides:–

"Nothing in this Part shall be taken to introduce into Malaysia or any of the States comprised therein any part of the law of England relating to the tenure or conveyance or assurance of or succession to any immovable property or any estate, right or interest therein."

It was argued for the appellants that this enactment did not preclude the application of the Engligh equitable rules as to relief against forfeiture since these rules were not part of the law of England relating to the tenure of immovable property. "Tenure", so it was maintained, meant only the mode of holding land, and the rules of equity were something different. But, in their Lordships' opinion, laws relating to the tenure of land must, applying the ordinary and natural meaning of these words, embrace all rules of law which govern the incidents of the tenure of land, and among these incidents is the right, in appropriate circumstances, to the grant of relief against forfeiture.

The National Land Code is a complete and comprehensive code of law governing the tenure of land in Malaysia and the incidents of it, as well as other important matters affecting land there, and there is no room for the importation of any rules of English law in that field except in so far as the Code itself may expressly provide for this.

For these reasons their Lordships will advise His Majesty the Yang di-Pertuan Agong that the appeals should be dismissed with costs.

Appeals dismissed.

Solicitors: *Philip Conway Thomas & Co,; Turner Kenneth Brown; Stephenson Harwood.*

SINGAPORE REPORTS

MOHAMED YEANIKUTTY v. FAR EAST TRUCK INC. MANUFACTURING (PTE.) LTD.

[C.A. (Kulasekaram, Lai Kew Chai & Abdul Wahab Ghows JJ.) May 24, 1984]
[Singapore – Civil Appeal No. 53 of 1982]

Labour Law – Employment – Injury in the course of – Damages – Whether respondents were negligent or in breach of the duty to take reasonable care for the safety of the appellant/servant – Factories Act 1973.

Tort – Negligence – Workman injured in course of employment – Whether employers in breach of Factories Act 1973 – Contributory negligence of co-workman – Employers vicariously liable.

The appellant claimed against the respondents, his employers, damages for personal injuries suffered by him in the course of employment on July 3, 1975. The appellant claimed that the respondents were negligent in (1) failing to provide a safe system of work; (2) failing to provide adequate appliances to enable the appellant to carry out the work; and (3) failing to provide any or adequate supervision. The learned Judge dismissed the appellant's claim in the lower court (see [1983] 1 M.L.J. 134) and the appellant appealed against the said judgment.

Held, allowing the appeal: (1) there was a duty owed to the appellant by each member of the gang to take reasonable care in the actual work of unstowing and in the method of work employed, and accordingly, even though the appellant tacitly consented to the method of unstowing contrary to instructions, the employers were liable vicariously for the negligence of his fellow workman;

(2) the respondents were vicariously liable for the negligence of Liam, another employee of theirs participating in the repair job. The appellant was also contributorily negligent and his share of the responsibility for the accident was one-half;

(3) as the sum of $85,000/- was agreed for special and general damages on a 100% basis, the damages recoverable by the appellant would be $42,500/-.

Case referred to:

(1) *Williams* v. *Port of Liverpool Stevedoring Co. Ltd. & Anor.* [1956] 1 W.L.R. 551.

COURT OF APPEAL.

Karuppan Chettiar and *Dr. Myint Soe* for the appellant.

Chelva Retnam Rajah and *Han Kee Fong* for the respondents.

Cur. Adv. Vult.

Abdul Wahab Ghows J. (delivering the Judgment of the Court): The appeal arises from a claim of Mohamed bin Yeanikutty (hereinafter called